

Section E: Implementation

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Thus far, the content of the BEPP has focussed on first setting the scene for spatial transformation, identifying spatial targeted investment areas referred to as Catalytic Land Development Programmes (CLDP) and financing these investment portfolios using a sustainable mix of financial resources. Through the City Support Programme (CSP) process to date, an urgent need to implement prioritised and feasible projects within CLDPs have been realised in order to unlock private and household investments. The implementation of targeted capital investment projects should therefore align to structured procurement processes and mitigate risks associated with implementation readiness, cash-flow management, timing and quality of services rendered.

In terms of the City's Theory of Change, the principle of collaborative planning, implementation and management forms the central theme for the implementation of CLDPs. This principle support, and forms as an output, to sustainable financing and spatial transformation. As mentioned above, the process thus far aimed to answer the "where?" and the "why?", going forward the next focus should be implementing this to achieve the "how?". It is important to note that although the intra- and inter-dependency exists between spatial transformation and financial sustainability, sound governance processes should encompass these principles to achieve a measurable outcome on the ground.

Figure 88 Theory of Change



The principle of collaborative planning, implementation and management shapes the vision of adopting a workflow process which assist in the implementation of spatial targeted investments. The outcomes required to achieve this includes a unified and integrated annual planning and budgeting process together with a framework that guides the establishment of project implementation readiness; standardises project management protocol and monitors the execution of projects. Actioning these items requires the adoption of a reporting and monitoring tool in order to provide feedback to national departments and overseeing entities, as well as to influence decision making during the annual budgeting process.

In terms of the BEVC, the following section has been structured to align to the fourth component within the value chain and describes the process of institutional reforms and processes to track and evaluate project implementation.

The city identified the need to align project planning and preparation to project life-cycle governance, which includes the Framework for Infrastructure Procurement and Delivery Management (FIPDM) and the city's Stage Gate Standard and Workflow Process (which was derived in part from the FIPDM methodology). The information contained in Section E aims to outline the procurement approach within the City and includes a detailed assessment of the current procurement processes and reforms. The City operates primarily through organised forums and approval committees, which is outlined in Chapter 23. Reference will be made to the establishment of the Draft Stage Gate Standard and Workflow Process Guideline, which was adopted by Council on the 25th of April 2019, to facilitate aligned and integrated capital investment implementation within the City.

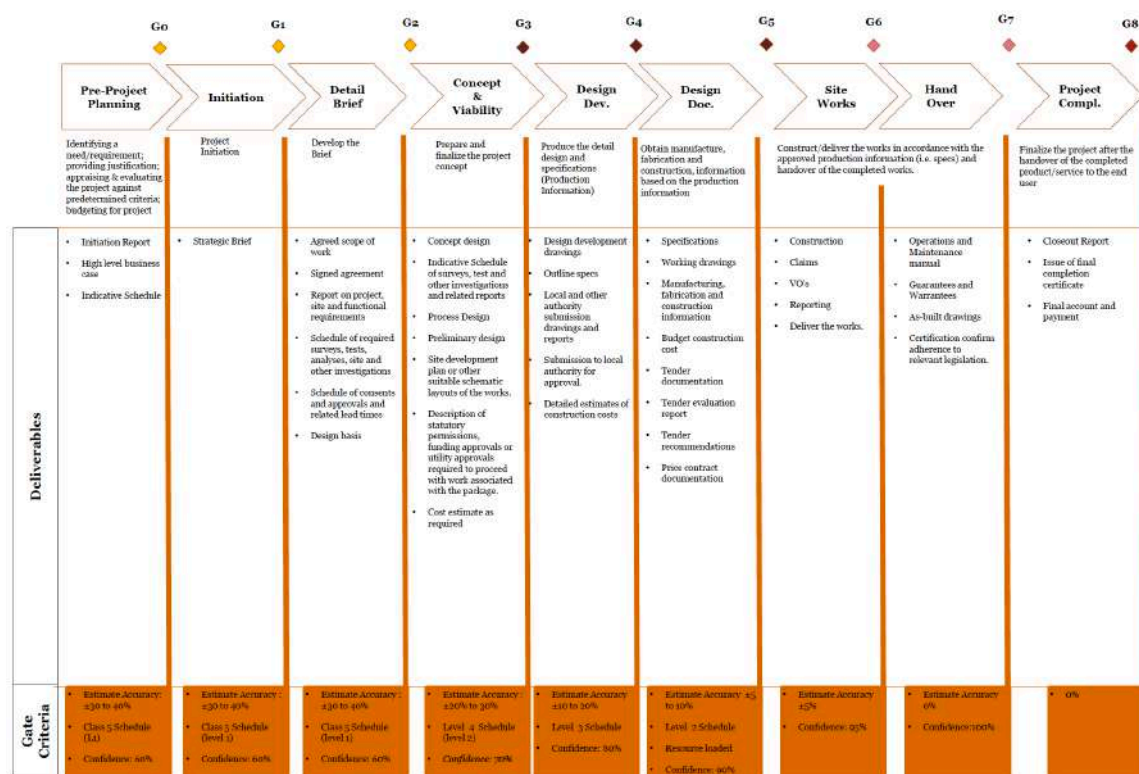
21 Project Lifecycle Planning and Implementation

21.1 Framework for Infrastructure Procurement and Delivery Management (FIPDM)

National Treasury has defined a framework outlining the lifecycle of infrastructure delivery, through the publication of the FIPDM. The adoption of FIPDM within the municipal space derives from instruction as outlined in Section 76(4)(c) of the Public Finance Management Act (PFMA) of 1999 (Act 1 of 1999). Furthermore, the FIPDM forms an integral part of the Model Supply Chain Management (SCM) Policy for Infrastructure Delivery Management, issued by National Treasury as a guideline document, establishing a standard for municipal supply chain management which conforms to Section 168 of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) in support of Regulation 3(2) of the Supply Chain Management Regulations. Various organs of state should comply with the FIPDM framework which include national, provincial and municipal departments.

The FIPDM standard establishes a supply chain management system for infrastructure procurement and delivery management. The FIPDM framework consists out of stages and gates, of which each contain a number of key deliverables and gate criteria. Infrastructure planning initiates the FIPDM lifecycle and should clearly outline timelines, objectives, expected outcomes and cost. Figure 89 below outlines the FIPDM life-cycle phases, sub-phases and milestones or deliverables which would serve as documentary evidence that a particular life-cycle phase or sub-phase has been concluded.

Figure 89 FIPDM Project Life Cycle



The city has adopted the FIPDM framework, which forms part of the CAPS system. During project preparation, project life-cycle phases and sub-phases and budgets required per life-cycle phase and sub-phase are recorded for each project in order to determine the stage of the project (refer to Chapter 13.2). Together with implementing the FIPDM, the city has established a Stage Gate standard and workflow process guideline which aligns to the principles as established within the FIPDM. The content below provides an overview of the Stage Gate Standard adopted within the city, together with the alignment to the FIPDM framework.

21.2 City of Tshwane Stage Gate Standard and Workflow Process

The city has established a Stage Gate standard and workflow process which aims to assist in the identification, strategic alignment, prioritisation, budget approval and execution of all capital projects within the city. In order to support this process, the CAPS system has been configured to facilitate the Stage Gate standard and workflow as part of the annual capital budget preparation process (refer to Chapter 13.2). The following outlines the implementation of the Stage Gate standard and workflow.

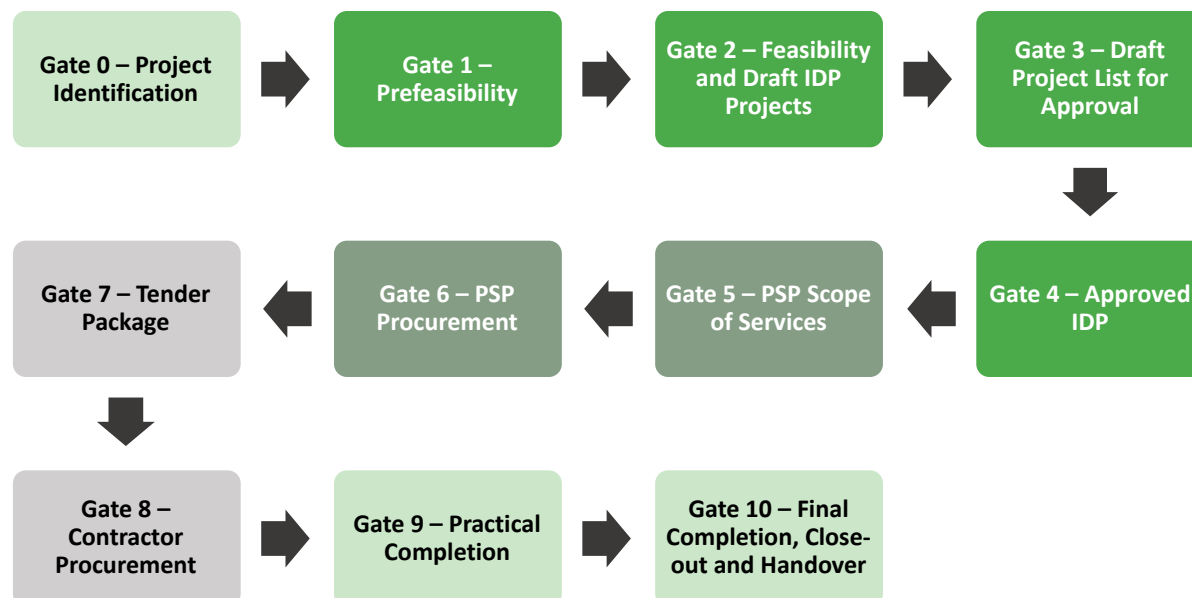
The project preparation process involves the evolution of capital projects from inception phase to close-out and is identified through a number of municipal strategies and economic or spatial priorities. The city has identified the need to implement effective tools and techniques in order to apply sound project management practices which aligns to the FIPDM framework as discussed above. The following section will provide an overview of the city's Stage Gate standard together with the alignment thereof to the FIPDM framework. Chapter 23 outlines the institutional arrangements with reference to the implementation and management of the Stage Gate standard and workflow process.

21.2.1 Stage Gate Overview

The implementation of stage gate management aims to assist departments with the capability to ensure that project planning and execution is performed effectively and efficiently. In addition to the

above, stage gate implementation will provide a platform in which measurable information is recorded which allows for accurate reporting of monthly and quarterly deliverables. In order to achieve the above, the stage gate standard comprises of ten (10) stage gates as outlined in Figure 90.

Figure 90 Stage Gate Overview



Each stage gate has been designed, based on a set of objectives and deliverables which include the following:

- **Stage Gate 0 – Project Identification.** The objective for Gate 0 is to prepare a project list comprised out of candidate projects were identified from departmental master plans, community engagement and economic or spatial priorities within the city. In addition to the needs of the city, Gate 0 will cater for the identification of projects from inter-governmental stakeholders, including national and provincial departments.
- **Stage Gate 1 – Prefeasibility.** The objective for Gate 1 is to identify pre-feasibility needs within the master planning process. Through the implementation of Gate 1, the city aims to achieve integration between planning and the roll-out of bulk services. This process should guide technical departments towards the identification of pre-feasibility needs before requesting capital budget for project implementation.
- **Stage Gate 2 – Feasibility and Draft IDP Projects.** The objective for Gate 2 is to draft a list of projects for the Integrated Development Plan (IDP), which include project plans aligned to the SDBIP framework and improved high-level cost estimates. There projects should be subjected to a prioritisation model in order to ensure that selected projects align optimally to the city's strategic, financial, socio-economic, technical and spatial / developmental objectives.
- **Stage Gate 3 – Draft Project List for Approval.** The objective for Gate 3 is to draft a project list for the annual capital works-plan of the city. Project plans for projects classified as Stage 3 should include monthly life-cycle phases, sub-phases, cash flows, milestones, budget deviation and procurement planning. During Stage 3 procurement plans should be drafted before the approval of the capital works plan. Once the project list has been approved, detailed procurement plans should be developed.

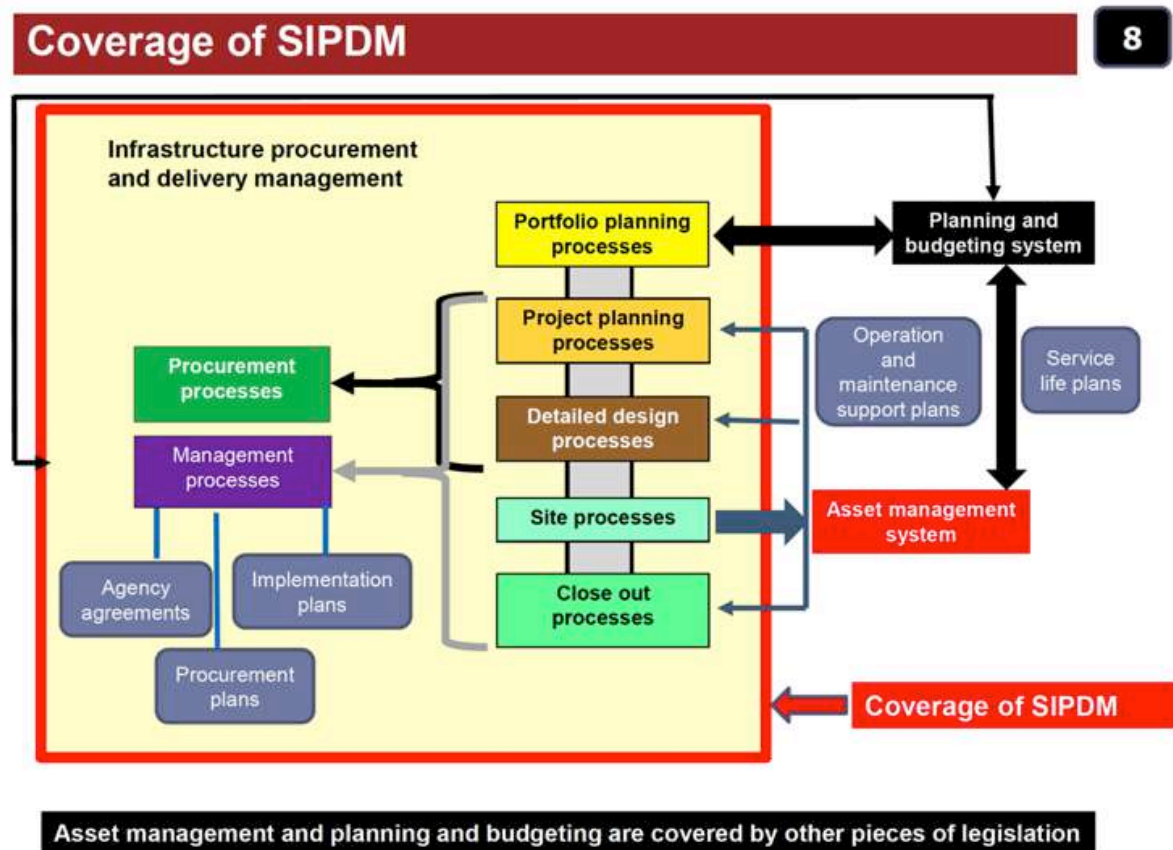
- **Stage Gate 4 – Approved IDP.** The objective for Gate 4 is to develop a capital works-plan for approval, based on the project list identified as part of Gate 3. During Gate 4, the Budget Steering Committee (BSC) evaluates the draft list of projects included within the capital works plan, which is ultimately submitted to Council for approval. The project list which results from this process then forms part of the annual IDP.
- **Stage Gate 5 – PSP Scope of Services.** The objective of Gate 5 is to generate a scope of services specification for the appointment of a professional service provider, which executes the design process. This stage coincides with the development of a Project Management Plan (PMP) and the opening of the project file.
- **Stage Gate 6 – PSP Procurement.** The objective of Gate 6 is to ensure the appointment of an appropriate and capable service provider for purposes of preparing preliminary and detail infrastructure designs. The execution of Gate 6 will assist SCM and departments to prepare and receive documentation which aligns to the correct format and standard of the city.
- **Stage Gate 7 – Tender Package.** The objective of Gate 7 is to ensure comprehensive designs and procurement specifications or documentation. This will provide increased potential for approval and use by SCM for procurement of an appropriate and capable contractor.
- **Stage Gate 8 – Contractor Procurement.** The objective of Gate 8 is to ensure the appointment of an appropriate and capable contractor. The execution of Gate 8 will assist SCM and departments to prepare and receive documentation which aligns to the correct format and standard of the city.
- **Stage Gate 9 – Practical Completion.** The objective of Gate 9 is to assist departments with the implementation and execution of projects. Gate 9 will assist and guide project managers to successfully execute and manage projects through the application of established tools and processes. Gate 9 ultimately aims to achieve successful practical completion.
- **Stage Gate 10 – Final Completion, Close-out and Handover.** The objective of Gate 10 is to advise and assist departments with the execution of the final completion phase through the provision of established tools, processes and procedures. Gate 10 includes the management of the snagging period, final inspection, issuing of the completion certificate and authorizing final payment and retention. This phase is also critical to mature projects from an “assets under construction” status to a capitalized asset listed on the fixed asset register of the city.

Each stage gate includes a detailed workflow process specifically designed to achieve the deliverables as described above. The workflow determines the progress of planning, approval and execution and has been designed to align to the complex municipal environment. For details pertaining to each Stage Gate’s established workflow, refer to the E-PMU Stage Gate Standard and Workflow Process Guideline which has been formally adopted by Council in April 2019.

21.3 Stage Gate Alignment to the FIPDM

Chapter 21.1 above outlined the FIPDM which consists of stages and gates, each containing a number of key deliverables and gate criteria (refer to Figure 89). The control framework and principles established within the FIPDM is outlined in Figure 91 below.

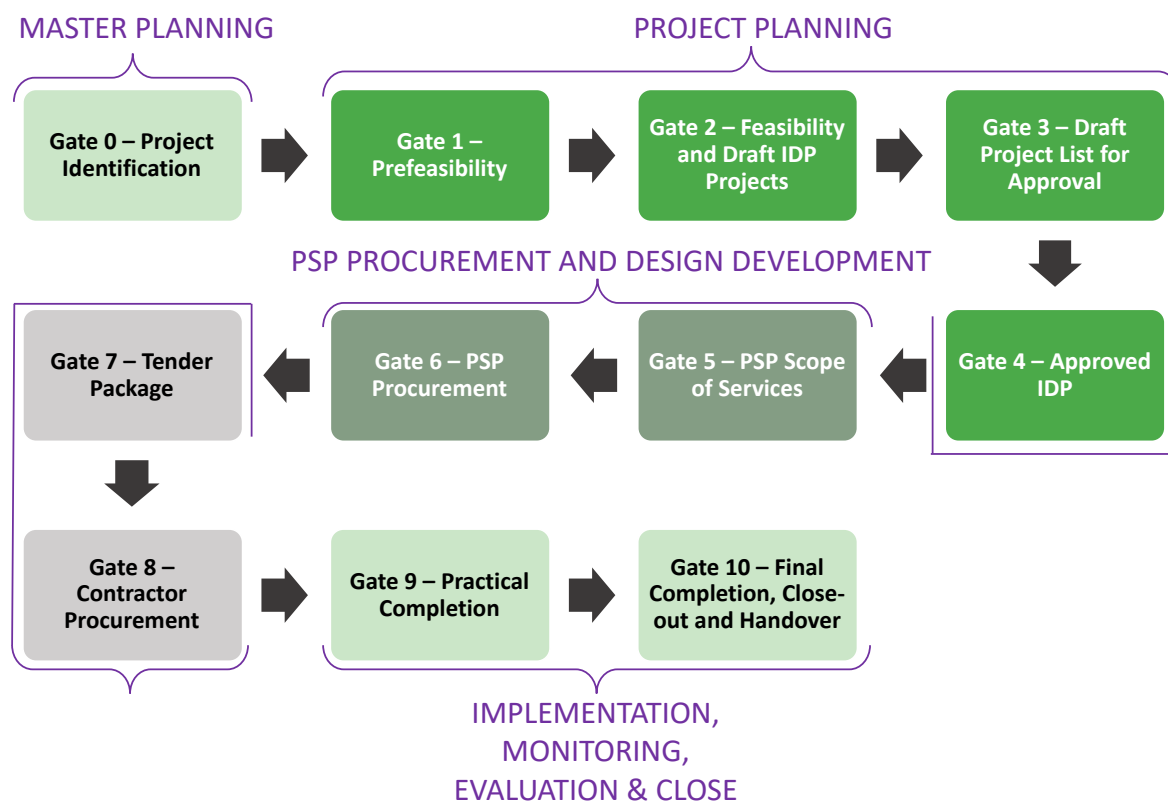
Figure 91 FIPDM Control Framework²²



As mentioned above, the city's Stage Gate standard and workflow process has been based on the principles of FIPDM and conforms to the control framework. It is important to note that the principles within the FIPDM are conformed to business processes of the City of Tshwane and have been further contextualised by the city's Stage Gate standard and workflow process (refer to Figure 92 below).

²² Framework for Infrastructure Procurement and Delivery Management (FIPDM), Application workshop (National Treasury 2016).

Figure 92 City of Tshwane Stage Gate Alignment to FIPDM control framework



Based on the synthesis between the city's Stage Gate standard and National Treasury's FIPDM, it is evident that the portfolio and project planning process occurs within Gate 1 – 4. The detail design process occurs within Gates 6 and 7 together with the SCM or procurement process, and the close-out process occurs within Gates 9 and 10. The procurement process, Gates 5 – 8, is discussed in further detail as part of Chapter 22 and aligns to the implementation stage of the BEVC.

The project identification process (Gate 0) was discussed in Chapter 13 and conforms to the project/programme preparation stage of the BEVC. Project Preparation within the city includes the capturing of a project wish-list (Gate 0) onto the CAPS system.

22 Current Procurement Approach

22.1 Standardized Bid Documents

In an effort to strive for uniformity and to assist user departments with the compilation of bid documents, the Supply Chain Management (SCM) Unit has drawn up standardized bid documents for various types of bids. The standardized documents listed below are available and should be requested by the user department prior to the compilation of a bid document.

Table 35 Construction Contracts

Document	Use
CIDB (GCC 2004)	Civil Engineering Construction Works
CIDB (GCC 2004 – EPWP)	Extended Public Works programme (EPWP) Civil Engineering Construction Works

Document	Use
CIDB (FIDIC)	Electrical and Mechanical Plant
CIDB (JBCC)	Building Construction Works
CIDB (NEC OPTION A)	Any Engineering work where a priced activity list is applicable

Table 36 Consultant Contracts

Document	Use
CIDB (PROFESSIONAL SERVICES)	Appointment of suppliers of professional services (remunerated by lump sum, percentage fee or hourly rates)
NEC (PROFESSIONAL SERVICES – OPTION A)	Appointment of suppliers of any professional services (remunerated by a priced activity list)

Table 37 Goods and Services

Document	Use
GOODS TENDER (Government Procurement GCC – 8 May 2007)	Supply of goods
SERVICE TENDER (Government Procurement GCC – 8 May 2007)	Supply of Services
NEC term service short contract	Appointment of a supplier for a period of time to manage and provide a service

Table 38 Other

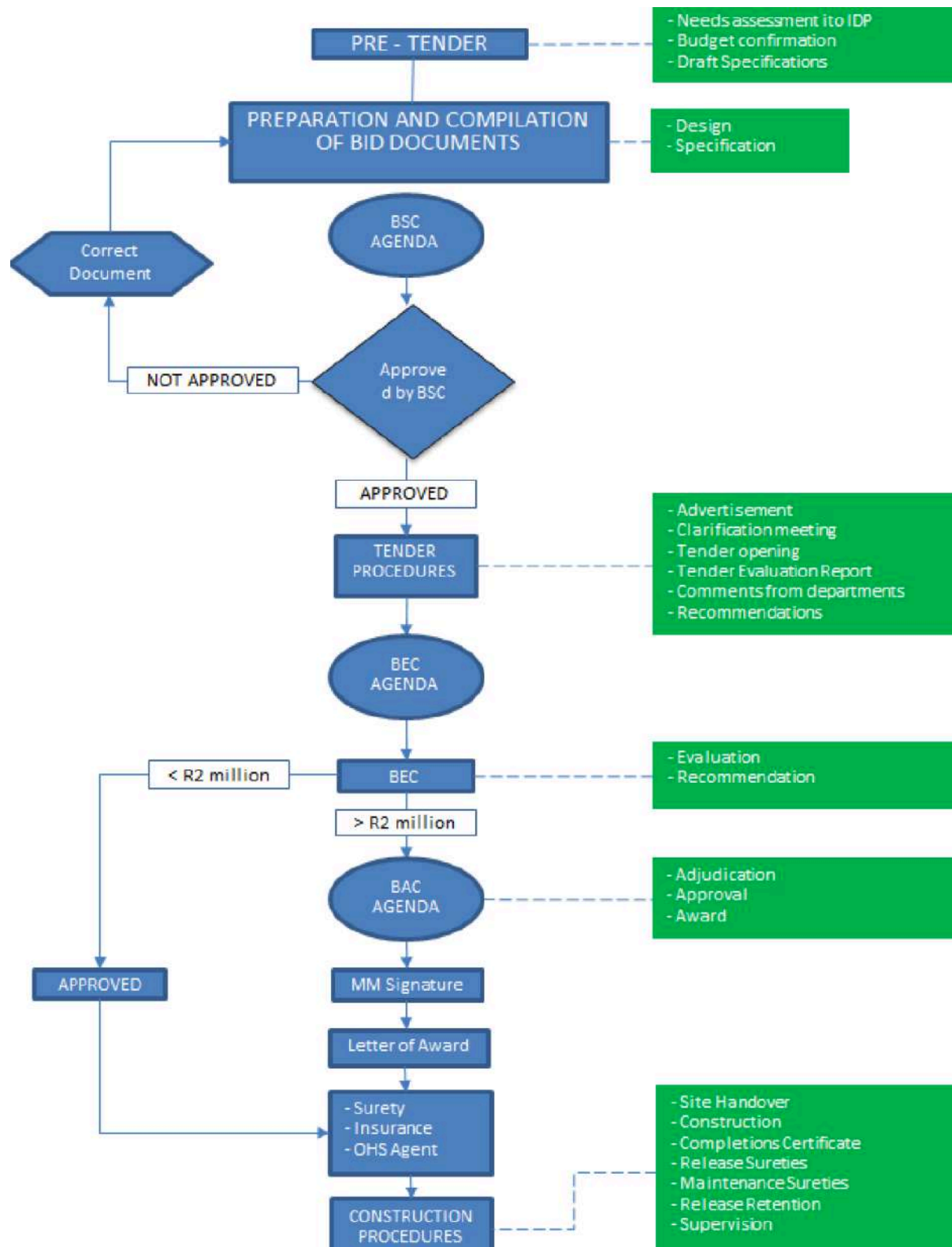
Document	Use
CALL FOR EXPRESSIONS OF INTEREST	EOI for the supply of any goods or services

The tables above indicate standardized BID documents which forms an integral part of the tender and award procedures. The next section outlines this process and is currently in place as per the City's supply chain management policy.

22.2 Tender and Award Procedures

This section describes and outlines the tender and award procedures as already defined in the municipality's supply chain management policy. The tender and award process are illustrated in Figure 93 and is described in the content to follow.

Figure 93 Tender and Award Process



22.2.1 Range of Procurement Processes

The initiation of a procurement activity is driven from the user department and follows the demand management process where:

- A needs assessment of the required goods and services is done;
- Economies of scale are investigated;
- Specifications are determined;
- Industry is analysed; and
- Requirements are linked to the approved budget programmed from with CoT's IDP.

The applicable procurement method for procuring goods and services depends on the transaction value as set out in the following table, and the SCM turnaround times are stipulated in calendar days from requisition to purchase order (PO).

Table 39 Range of Procurement Processes and Procurement Methods

Value of Purchase	Procurement Method	Timeline (from requisition to PO)
0 - R2 000	Petty Cash	1 day
R2 001 up to R10 000	Quotations	2 days
R10 001 up to R30 000	1 formal written and 2 other quotations in accordance with the Council approved procurement framework	3 days
R30 001 up to R200 000	3 (three) formal written price quotations and; complying with the MFMA; sealed and placed in box; advertise for 7 (seven) days on notice board and websites of Municipality; allocate in accordance with the points system	15 days (7 days Advertising on Notice Boards & 8 days Evaluation and Award)
Tenders from R200 000 up to R10 million and long term contracts	A competitive bidding process: advertised for at least 14 (fourteen) days on notice boards and website of City of Tshwane Municipality advertised for at least 14 (fourteen) days in newspapers commonly circulating locally but not limited thereto allocate in accordance with the points system	70 days (30 days Advertising on Notice Boards & 40 days Evaluation and award)
Tenders above R 10 million	A competitive bidding process: advertised for at least 30 (thirty) days in newspapers commonly circulating locally but not limited thereto (For Tenderers above R10 million) allocate in accordance with the Preferential points system	70 days (30 days Advertising on Notice Boards & 40 days Evaluation and award)

22.2.2 Pre-Tender Phase

The user department has, in line with the Integrated Development Plan (IDP), determined that certain goods and services are required by the department and that the budget is available and confirmed. The user department will then prepare a specification or scope of work for the goods or services required. The specification (scope of work) can take various forms for instance:

- Specification for goods required such as wire, bolts and nuts, ballpoint pens, paper, etc.;
- Specification for services to be provided such as mowing of grass, street cleaning, professional services, etc.;
- Specification for civil, electrical or building construction projects; and
- Specification for Calls of Expressions of Interest.

Upon completion of the draft bid document, which includes the specification, the user department shall lodge the following to SCM for approval:

- 1 hard copy of the draft bid document; and
- 1 electronic copy of the draft bid document.

Once approved by the BSC, the following will be finalized by SCM with the user department:

- Date from which bid documents are available;
- Place, date and time of clarification meeting;
- Date and time until which bids will be accepted.

22.2.3 Tender Phase

An official tender notice will and invitation to tender will be provided by SCM to the user department for inclusion in the final bid document after which copies of the final bid document will be made available by the user department.

The clarification meeting must be attended by a user department representative that is well versed with the bid, the particular Scope of Work and an attendance register of all persons attending the meeting and minutes of the meeting will be kept.

Bids will close on the date and time indicated in the tender notice at the Procurement Advice Centre and the tender prices will be ready out by an official of SCM.

22.2.4 Tender Evaluation Phase

SCM will complete the administrative procedures, including the financial and preference adjudication, and compile a draft tender evaluation report. The draft tender evaluation report and bid documents are then forwarded to the user department for technical compliance evaluation.

On completion the documents and completed draft tender evaluation report must be returned to the SCM who will finalize and place it on the agenda to serve before the Bid Evaluation Committee (BEC).

The BEC will evaluate the tender evaluation report. If adjustments are required to the report or more clarity required concerning certain issues, the report will be sent back for adjustment.

On approval of the tender evaluation report by the BEC, either:

- For tender less than R2million: The recommended tender is accepted; or
- For tenders in excess of R2million: A recommendation is forwarded to the Bid Adjudication Committee (BAC).

The BAC will evaluate the tender evaluation report and recommendation from the BEC. If adjustments are required to the report of more clarity concerning certain issues, the report and recommendation will be sent back to the BEC for adjustment.

On approval of the tender evaluation report and BEC recommendation by the BAC, either:

- For tender less than R10 million: The recommended tender is accepted; or
- For tender in excess of R10 million: The Municipal Manager's approval is required

22.2.5 Tender Award Phase

When a tender is awarded, SCM will draft a Letter of Award to the successful bidder. Depending on the type of goods or services procured the following administrative matters must be attended to.

- Construction Contracts:
 - The contract is reviewed by the Legal department and must be signed by the City Manager as the accounting officer;
 - Sureties and Guarantees must be lodged;
 - CoT Insurance and Risk Management must be informed of the award so that the necessary insurance can be put in place;
 - Occupational Health and Safety appointment must be made;
- For Goods and Services Contracts:
 - The contract must be signed (Confirm who signs);
 - Sureties and Guarantees must be lodged; and
 - Proof of Insurance by the Supplier must be presented.
- Professional Service Contracts:
 - The contract must be signed; and
 - Professional Indemnity Insurance by the Supplier must be submitted.

23 Institutional Arrangements

23.1 Municipal Committees and Forums

The City operates primarily through organized forums and approval committees which form part of the institutional framework pertaining to the implementation of Catalytic Land Development

Programmes (CLDPs). The following section has been structured to describe the composition and function of these committees or forums.

23.1.1 Council Committee

The Council consists of 214 councillors, of whom 107 are ward councillors and 107 proportional representative (PR) councillors. The Members of the Mayoral Committee (MMCs) also form part of the Council.

The Council Committee is the highest approving committee in terms of its level of authority and the Committee will preside over project related matters and provide resolutions with the decisions taken within the Regulatory Framework of the City.

23.1.2 Mayoral Committee

In terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), an executive mayor must appoint a mayoral committee from the elected councillors to assist him or her in executing the political mandate. Each with a different portfolio focusing on particular departments in the Municipality.

The Executive Mayor represents the face of the city and is responsible for managing all its affairs. The City of Tshwane accommodates over 2.2million people. Acting as a local cabinet, the Mayoral Committee is made up of 11 members, including the Executive Mayor, who is also its chairperson.

The Executive Mayor and the Mayoral Committee have a political responsibility for sound governance and effective service delivery. They are further responsible for promotion of economic growth and development, management of the city's physical development and promotion of the well-being of the community at large.

Their focus is also on safety and security, preservation of the city's natural and cultural resources and the strengthening of the city's national status as a capital.

23.1.3 Executive Committee

The Executive Committee comprise of all Executive Directors that operates within the City of Tshwane, including but not limited to, Department Group Heads who are the responsible party to submit and present project submissions for approval within the level of authority defined for this committee.

23.1.4 Management Committee

The Management Committee comprise of all Departmental Leaders that operates within a Department of the City of Tshwane. These members of this committee will include, but are not limited to, the Divisional Heads and Directors. The Department Project Manager are the responsible party to submit and present project submissions for approval within the level of authority defined for this committee.

23.1.5 Bid Specification Committee

The Bid Specification Committee (BSC) must, on recommendation from a SED, finally approve the specifications for the procurement of goods or services by the municipality.

This occurs after a need to procure (demand management) have been identified and the user Department have duly submitted all information to the Bid Specification Committee. An approval by the BSC is required before the procurement process can proceed to the next step.

A bid specification committee must be composed of two or more officials of the municipality, preferably the manager responsible for the function of including external specialist advisors. No person, advisor involved with the bid specification committee, or director of such, may bid for any resulting contracts.

The user department should take note that the following attendance requirement for the BSC meetings:

- Project Initiator; and
- Relevant Director.

23.1.6 Bid Evaluation Committee

The BEC is constituted for each project or procurement activity. The BEC evaluates the tenders or responses received from the market and recommends the suitable successful bidders. The BEC evaluates bids in accordance with:

- The specifications for a specific procurement; and
- The points systems as must be set out in the supply chain management policy of the municipality in terms of Regulation 27 (2) (f) and as prescribed in terms of the Preferential Procurement Policy Framework Act.

The BEC evaluate each bidder's ability to execute the contract and submits to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

The user department should take note that the following attendance requirement for the BSC meetings:

- Project Initiator; and
- Relevant Director.

23.1.7 Bid Adjudication Committee

The BAC considers the report and recommendations of the BEC, adjudicate and make a final award on how to proceed with the relevant procurement. The award can be in favour of the BEC recommendation. Should the BAC resolves that the committee is not in favour of the BEC recommendation, the tender will be referred back to the BEC, with comments, for re-evaluation.

In terms of award, the BAC must to do the following in terms of its delegation:

- Make a final award on tenders from above R200 000 to R10 million and make recommendation to the accounting officer to make the final award on tenders above R10 million; or
- Make another recommendation to the accounting officer how to proceed with the relevant procurement.

The user department should take note that the following attendance requirement for the BSC meetings:

- Project Initiator; and
- Relevant Executive Director.

23.1.8 Budget Steering Committee

The role of the Budget Steering Committee is to provide technical assistance to the Mayor in terms of the Municipal Budget and Reporting Regulations. The prescribed membership of the committee emphasis the technical nature and role of the committee. It would usually include all senior manager within the municipality that needs to be involved in the IDP and budget processes to ensure that they are aligned and relate directly to the service responsibilities of the municipality.

The members of the committee are ultimately accountable for the implementation of the IDP and budget (3 year), and this occurs through the annual SDBIP and its performance targets.

The committee is chaired by the chief financial officer, or alternatively the municipal manager. The committee reviews the proposed budget annual prior to its approval. The committee also reviews the proposed budget adjustment, prior to its approval.

23.2 Sustainable Procurement

The City of Tshwane became a member of the Global Lead City Network on Sustainable Procurement in 2016 and the Executive Mayor was requested to lead this network in 2018. The City's sustainable procurement journey started in October 2014, when the Office of the Executive Mayor held a high-level seminar with City stakeholders to establish a common understanding of sustainable procurement and what it would entail in the City as well as identifying low hanging fruit.

The next significant step was the development of our Sustainable Procurement Strategy and Sustainable Procurement Programme to manage the implementation of the strategy. The development of the strategy was facilitated through a City Task Team known as the Sustainable Procurement Integrated Team.

The Strategy has certain targets that need to be achieved by 2021. In terms of operational expenditure, we want to ensure that we replace as many products as possible with eco-certified alternatives – we would like to see at least a 10% greening of our stores. As far as capital expenditure is concerned, we want every new building to receive a minimum of a 4 green star rating and existing buildings to be certified to a minimum of 3 green star rating.